

House Bill 851

By: Representatives Mitchell of the 88th, Jordan of the 77th, Randall of the 138th, and Ashe of the 56th

A BILL TO BE ENTITLED
AN ACT

To amend Article 1 of Chapter 1 of Title 20 of the Official Code of Georgia Annotated, relating to general provisions pertaining to education, so as to provide for the Teacher Loan Program; to provide for responsibilities of the State Board of Education; to provide for procedures and limitations; to provide for related matters; to provide an effective date; to repeal conflicting laws; and for other purposes.

BE IT ENACTED BY THE GENERAL ASSEMBLY OF GEORGIA:

SECTION 1.

Article 1 of Chapter 1 of Title 20 of the Official Code of Georgia Annotated, relating to general provisions pertaining to education, is amended by inserting a new Code section to read as follows:

"20-1-10.

(a) There is created the Teacher Loan Program, to be administered by the State Board of Education. The State Board of Education shall:

(1) Subject to the availability of funding for the loan program from appropriations and loan principal and interest repayments, award available loan funds to individual teachers who:

(A) Teach full time in a school district or charter school within the state;

(B) Have obtained a teaching license for the first time within the prior five years;

(C) Except as provided in subsection (c) of this Code section, have not previously received a program loan; and

(D) Demonstrate a desire to pursue a teaching career and purchase a home within the state;

(2) Provide a program loan of \$15,000.00 to a selected loan recipient, to be used for the purchase of the loan recipient's primary residence;

(3) Require a loan recipient to make interest payments at least annually on the outstanding loan balance, at a fixed interest rate;

(4) Forgive:

(A) The amount of \$5,000.00 of the loan principal if the teacher teaches in a school district or charter school for five consecutive years following receipt of the loan; and

(B) The remaining amount of the loan principal if the teacher teaches in a school district or charter school for ten consecutive years following receipt of the loan;

(5) Require a loan recipient who:

(A) Does not teach in a school district or charter school for five consecutive years after receiving the loan to repay the entire \$15,000.00 in loan principal, in addition to loan interest payments, over a period not to exceed five years after discontinuing teaching in a school district or charter school; or

(B) Teaches in a school district or charter school for more than five consecutive years but less than ten consecutive years to repay the portion of the loan principal remaining after the forgiveness under paragraph (4) of subsection (a) of this Code section, in addition to loan interest payments, over a period not to exceed five years after discontinuing teaching in a school district or charter school;

(6) Allow a principal prepayment at any time; and

(7) Allocate repayment, interest, and appropriation funds for new loans.

(b) The consecutive years of teaching requirements of this Code section are based on the time period a teacher teaches in any school district or charter school or combination of school districts or charter schools in the state during the relevant time period.

(c) The State Board of Education may award one additional loan to a loan recipient who:

(1) Sold the primary residence that served as collateral for the program loan within ten years of receiving the loan;

(2) Repaid the loan principal and outstanding interest in full upon sale of the home; and

(3) Continues to meet the other eligibility requirements of this Code section.

(d) The State Board of Education shall make rules to:

(1) Establish loan recipient selection criteria, including creditworthiness; and

(2) Establish procedures for application, loan funding, and repayment, which shall include procedures to:

(A) Secure the program loan with the primary residence of the loan recipient as collateral; and

(B) Require full repayment of the outstanding loan principal and interest if and when the primary residence is sold within ten years of loan issuance.

(e) If appropriations and loan principal and interest repayment funds are insufficient to cover the costs associated with the Teacher Loan Program for all eligible applicants, the State Board of Education shall:

63 (1) Limit the number of loans authorized to correspond to the amount of available funds;
64 and
65 (2) Select loan recipients using the criteria established pursuant to paragraph (1) of
66 subsection (d) of this Code section."

67 **SECTION 2.**

68 This Act shall become effective upon its approval by the Governor or upon its becoming law
69 without such approval.

70 SECTION 3.

71 All laws and parts of laws in conflict with this Act are repealed.